

November 24, 2014

The Honorable Charles E. Schumer
Chairman
Joint Committee on Printing
318 Russell Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

In accordance with 44 U.S.C. 3903 and the relevant provisions of the Inspector General Act of 1978, as amended, I am transmitting to Congress the Semiannual Report of the Office of the Inspector General (OIG) for the U.S. Government Printing Office (GPO) covering the 6-month period of April 1 through September 30, 2014, along with the following information as required by law. This letter meets my statutory obligation to provide comments on the OIG's report and highlights management actions taken on the OIG's recommendations, which may relate to more than one reporting period.

General Comments. The OIG continues to provide valuable assistance to management in ensuring the integrity and efficiency of GPO programs and operations, safeguarding taxpayer investments in those programs, and investigating anyone allegedly abusing GPO programs. As in previous reports, the Management Challenges identified by the OIG correspond to the strategic direction that GPO is following.

Current and Prior Period Outstanding Recommendations. During the reporting period, the OIG issued 7 audit and other reports addressing different GPO programs and activities.

The audit reports addressed the results audits of Federal Public Key Infrastructure (PKI) compliance and Webtrust for Certification Authority; the prompt payment of invoices on hold; the accountability of blank U.S. passport books and the acquisition of passport covers; GPO's Integrated Library System; and the audit of a claim for submitted by a contractor. Overall the report identified \$17.2 million in funds put to better use. The OIG also made 14 program improvement recommendations. Management concurred with the recommendations resulting from these reports and will take actions to implement them.

GPO's award of a contract for the acquisition of passport covers in 2012 was followed by a protest that year brought before the Government Accountability Office. Following testimony by all parties, the protester withdrew the complaint before the Board issued its ruling. Subsequently, the OIG was presented with complaints alleging that GPO structured or steered this procurement in favor of an incumbent contractor, in part by mandating the use of an electronic passport chip operating system that was available only to the contractor, thereby restricting competition. A complaint also alleged that GPO ignored a known security weakness associated with the



incumbent's integrated circuit, allowing them to compete for the contract award. As detailed in the report of this audit, the OIG did not find any substantiation for these allegations. However, the OIG noted that improvements are needed in GPO's acquisitions office regarding the conduct of complex procurements. GPO management has concurred with the OIG's recommendations. Additionally, GPO is obtaining the services of additional experts for its acquisitions office to provide additional support for the procurement process.

The OIG's investigative work resulted in 1 conviction, 1 settlement agreement, two contractors ordered to pay \$45,862 in restitution, the referral of 33 businesses and individuals for suspension and/or debarment consideration, and the issuance of 6 investigative-related reports.

During the reporting period, GPO management closed out 40 recommendations. There are currently 79 open recommendations that GPO management continues working on implementing, including 37 recommendations on which corrective action has not been completed for over one year.

Statistical Tables. Statistical tables as required by law are enclosed.

I deeply appreciate the efforts of the OIG's audits and investigative staffs to ensure the integrity and efficiency of GPO programs and operations, safeguard taxpayer assets in those programs, and investigate and bring to justice those who abuse the public's trust.

If you need additional information with respect to this report, please do not hesitate to contact Mr. Andrew M. Sherman, GPO's Chief of Staff, on 202-512-1991, or by e-mail at asherman@gpo.gov.

Sincerely,

A handwritten signature in blue ink that reads "Davita Vance-Cooks".

DAVITA VANCE-COOKS
Public Printer

Enclosures

cc: The Honorable Gregg Harper, Vice Chairman
The Honorable Tom Udall
The Honorable Mark Warner
The Honorable Pat Roberts
The Honorable Saxby Chambliss
The Honorable Candice Miller
The Honorable Richard Nugent
The Honorable Robert Brady
The Honorable Juan Vargas

ENCLOSURE I

**AUDIT REPORTS ISSUED DURING THE REPORTING PERIOD WITH
QUESTIONED COSTS, FUNDS PUT TO BETTER USE, AND OTHER MONETARY
IMPACT**

<u>Report Number</u>	<u>Number of Recommendations</u>	<u>Questioned Costs (\$)</u>	<u>Funds Put to Better Use (\$)</u>	<u>Other Monetary Impact (\$)</u>
14-12	1	\$345,139	\$ 0	\$ 0
14-14	4	0	0	15,700,000
14-16	3	0	0	1,118,000
14-18	5	0	0	0
14-19	0	0	0	0
14-20	0	0	0	0
14-21	1	0	45,572	0

ENCLOSURE II

**AUDIT REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER
USE, QUESTIONED COSTS, AND OTHER MONETARY IMPACT**

	<u>Number of Reports</u>	<u>Funds Put to Better Use and Other Monetary Impact</u>
Reports for which no management decisions were made by the beginning of the reporting period	0	0
Reports issued during reporting period:	7	
Audit Report No. 14-12		\$ 345,139
Audit Report No. 14-14		15,700,000
Audit Report No. 14-16		1,118,000
Audit Report No. 14-18		0
Audit Report No. 14-19		0
Audit Report No. 14-20		0
Audit Report No. 14-21		45,572
 Reports for which a management decision was made during the report period:		
1. Dollar value of recommendations not agreed to by management		0
2. Dollar value of recommendations agreed to by management	1	\$ 17,208,711
 Reports for which management decision was made by the end of the reporting period	0	0
 Reports for which no management decision was made within 6 months of issuance	0	0